

Vermont Mayors Coalition

Position on Clean Water Funding

In 2015, the State of Vermont passed the landmark Vermont Clean Water Act (H.64), designed to protect Vermont's lakes and streams from excess nutrients like phosphorus. Over the years, the VMC has advocated to make the act effective, fair, and efficient, and supported the passage of the legislation. Much regulatory and legislative action and implementation is still needed to succeed in this generational challenge of keeping our waterways clean.

In 2017, in light of the Clean Water Funding report released by Treasurer Beth Pearce, the VMC remains focused on moving this effort forward:

The Mayors support the Governor's and Treasurer's proposed allocation of \$50 million of existing resources to the Clean Water Fund for two years to address this critical challenge over the next two years. This reallocation should follow the same effective, fair, and efficient principles the VMC has previously advocated for. Municipal projects should receive priority funding from the Clean Water Fund during this period, recognizing that needed municipal resources are largely unfunded at this point. The VMC urges Legislators to begin working now on a long-term funding solution.

It is vital to set a long-term target State funding percentage for each TMDL investment area. Without fixing a target annual funding level the State is committed to reaching, it will be difficult to settle on an appropriate funding strategy. While the Treasurer Pearce report would provide sufficient State funding to allow for the first two years to be enacted, the State would need to play a meaningful role in future years.

The VMC reiterates their 2016 call that the State should assume 80 percent of the future costs beyond the Treasurer's two-year interim period, with municipalities increasing their contribution to 20 percent. Until 2015, the State was committed to paying for all wastewater facility discharges. Not only does the State have far greater options for raising revenues than municipalities, and thus a greater ability to fund this necessary work, the implementation of our collective TMDL-reduction efforts will be more effective and efficient if the State is responsible for a fair share of the system's financial burden. A clear target will also be a major factor in determining which of the different revenue sources under consideration are the most equitable and sufficient to cover the costs of the water quality improvement programs that will be required to meet state and federal requirements over the next 20 years.

The Mayors continue to support statewide tiered per parcel fee that reflects the parcel's usage and impact as the fairest and most sustainable funding mechanism to support clean water. To be sustainable, the revenue sources should be tied, as clearly as possible, to stable revenue sources that are fair, progressive in nature, and have a nexus with clean water. A Statewide tiered per parcel fee, or charge by a new statewide stormwater utility that accounts for factors such as size and the degree to which activities on the land contribute to problematic runoff, is the best option.

The Mayors call on the Legislature to create a working group now to create an implementation plan for a tiered parcel fee in 2019. There is no time to waste. The working group should include representatives from the legislature, Treasurer Pearce's office, the Department of Environmental Conservation, the Department of Health, municipalities and agricultural interests impacted by the fees, as well as other stakeholders as necessary.

As Treasurer Pearce's report notes, any new parcel or stormwater utility fee should recognize the contributions of property owners within municipalities with existing stormwater utilities raising local revenues to pay for TMDL mitigation efforts. The Mayors do not oppose a modest additional cost to municipalities that border Lake Champlain, as while 94 percent of the State is impacted by the various TMDLs under discussion, the lakeshore communities do derive additional benefits from tourism; benefits that are dependent on clean water.

The VMC is strongly opposed to the State increasing the sales and use or rooms, meals, and alcoholic beverage taxes, as those are already primary sources of municipal revenue. There should also be some consideration of tapping into sources that reach out-of-state visitors, whose transportation patterns and use of the lake may play heavily into the clean water analysis.

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